NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

| THIS LEASE AGREEMENT is made this 11th day of FEDRUCINU | , 2009, by and between |
|--|--|
| M.C. Williams and WIFE Lillian V. Williams | 430.00 |
| whose address is 23C3 UCCCSOUCTTOIL CUTING FOR TEXC and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All print | |
| hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, is | Lessor and Lessee. |
| described land, hereinafter called leased premises: | |
| OUT OF THE PENNON ADD | BLOCK A |
| FORT WORTH TARRANT COUNTY, TEXAS, ACCORDING | PITION, AN ADDITION TO THE CITY OF TO THAT CERTAIN PLAT RECORDED |
| IN VOLUME 309, PAGE 50 OF THE PLAT RECORDS (| OF TARRANT COUNTY, TEXAS. |
| in the County of Tarrant, State of TEXAS, containing gross acres, more or less (including any inte | rests therein which Lessor may hereafter acquire by |
| reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also | herein includes helium, carbon dioxide and other |
| land now or hereafter owned by Lessor which are configuous or adjacent to the above-described leased premises, and, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate | in consideration of the aforementioned cash bonus, |
| of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed | correct, whether actually more or less. |
| 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of <u>FIVE</u> as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased pre |)years from the date hereof, and for |
| otherwise maintained in effect pursuant to the provisions hereof. 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor a | |
| separated at Lessee's separator facilities, the royalty shall be TURNIFFIVE PERCENT (25) of suc Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have | th production, to be delivered at Lessee's option to |
| the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other | d, then in the nearest field in which there is such a substances covered hereby, the royalty shall be |
| <u>INCAMENTALE PER CENT</u> (25) of the proceeds realized by Lessee from the sale thereof, less a proseverance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such | oportionate part of ad valorem taxes and production gas or other substances, provided that Lessee shal |
| have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to compara | ble purchase contracts entered into on the same or |
| nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the prim the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered her | eby in paying quantities or such wells are waiting or |
| hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such we being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payments. | ell or wells are shut-in or production there from is no |
| depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintain | the end of said 90-day period while the well or wells |
| Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until to such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount | the end of the 90-day period next following cessation |
| 4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at less</u> be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or | tenders may be made in currency, or by check or by |
| draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope add address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another | iressed to the depository or to the Lessor at the las r institution, or for any reason fail or refuse to accep |
| payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another in | istitution as depository agent to receive payments. Juantities (hereinafter called "dry hole") on the leased |
| premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from | is not otherwise being maintained in force it shall |
| nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional we on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within the leased premises or lands pooled therewith within 90 days after completion of operations of the leased premises of lands of la | i 90 days after such cessation of all production. If a |
| the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lesses operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other | ODE OF MOLE OF SUCH OPERADORS ARE PROSECULED IND |
| there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well to | capable of producing it paying quantities hereunder r would drill under the same or similar circumstance: |
| to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There | lises of latios booten flictement of folio brocen an |
| additional wells except as expressly provided herein. | ein with any other lands or interests, as to any or a |
| depths or zones, and as to any or all substances covered by this lease, either before or after the commerciation in | sts with respect to such other lands or interests. Th |
| unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed by acres blus a necessity of the provided that a larger unit formed by such pooling for an oil well which is not a horizontal completion and not exceed by a cress plus a necessity of the provided that a larger unit for the provided that the provided that a larger unit for the provided that a larger unit for the provided that t | may be formed for an oil well or gas well or horizonta |
| completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental and a completion to conform to any well spacing or density pattern that may be prescribed by any light law or the appropriate the propriate of t | riate governmental authority, or, if no definition is s |
| or the foregoing, the terms "oil well" and "gas well shall have the lifetailings plescribed of applicable that the transport of the prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" mee feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using stan equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross | dard lease separator facilities or equivalent testin |
| equipment; and the term "horizontal completion" means an oll well in which the nonzontal completion describing | ing the unit and stating the effective date of pooling |
| Production, drilling or reworking operations anywhere on a unit which includes all or any part of the cases premises | that proportion of the total unit production which the |
| net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to the total gross acreage in the unit, but in the unit bears to th | the recurring right but not the obligation to revise an |
| unit formed hereunder by expansion or contraction or both, either perore or area commencement or productive accessed detailed | ermination made by such governmental authority. |
| making such a revision, Lessee shall tile of record a written declaration describing the revision of unit production on y | which royalties are payable hereunder shall thereafter |
| be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent december as written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross- | s-conveyance of interests. |
| If Lessor owns less than the full mineral estate in all or any part of the leased premises, the regular of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises. | the leased premises bears to the full mineral estate |
| such part of the leased premises. | |

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessee has satisfied the notification requirements contained in Lessee or until Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to

pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not timited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, hijection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produces store, treat and/or transport production. Lessee may use in such operations, free of cost, any cings, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the anciliary rights granted herein shall apply (a) to the entire leased premises escribed in Paragraph 1 above, notwithstanding any partial releases or the partial termination of this leases, and (b) or any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn mow on the leased premises or such other lands during department of the leased premises or such other lands during cross the conditions including restrictions on the diffiling restrictions on the diffiling and production of wells, and the price of oil, gas, and other subst

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

may be executed in counterparts, each of which is deemed an original and all of which only constitute one original DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

| IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signers, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. | | |
|---|---|--|
| By: 77.C. WITTICHUS | By: Lillian V. Williams | |
| STATE OF TEXAS COUNTY OF TAY ON THIS instrument was acknowledged before me on the by: D.C. LUTTICANS (TOUR LUTE KISHA G. PACKER PULK Notary Public, State of Texas My Commission Expanses | day of FEDYLIAIL , 2009, LUTTA (U.S. Notary Public, State of TEXCL 9 Notary's name (printed): Notary's commission expires: April 15, 20018 | |
| STATE OF COUNTY OF This instrument was acknowledged before me on the by: | | |



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

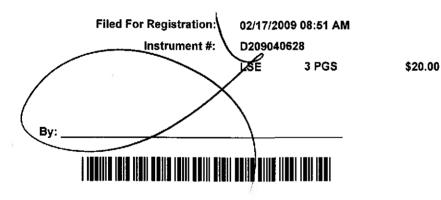
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209040628

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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